

HIGHLANDS INDEPENDENT BANCSHARES, INC.

	CPP Disbursement Date 03/06/2009	RSSD (Holding Company) 2638014	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2009 \$ millions	2010 \$ millions	%chg from prev		
Assets	\$322	\$286	-11.1%		
Loans	\$199	\$186	-6.8%		
Construction & development	\$36	\$22	-38.3%		
Closed-end 1-4 family residential	\$52	\$52	0.1%		
Home equity	\$17	\$15	-10.0%		
Credit card	\$0	\$0			
Other consumer	\$8	\$7	-7.9%		
Commercial & Industrial	\$21	\$20	-4.5%		
Commercial real estate	\$50	\$47	-5.6%		
Unused commitments	\$22	\$27	20.6%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$53	\$36	-31.1%		
Asset-backed securities	\$0	\$0			
Other securities	\$17	\$12	-30.5%		
Cash & balances due	\$24	\$27	13.4%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$0	\$0			
Open-end HELOC originated for sale (quarter)	\$0	\$0			
Closed-end mortgage originations sold (quarter)	\$0	\$0			
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$294	\$265	-9.9%		
Deposits	\$278	\$263	-5.4%		
Total other borrowings	\$15	\$0	-97.9%		
FHLB advances	\$15	\$0	-97.9%		
Equity					
Equity capital at quarter end	\$27	\$21	-23.1%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$7	\$3	NA		
Performance Ratios					
Tier 1 leverage ratio	7.0%	6.7%	--		
Tier 1 risk based capital ratio	10.7%	10.5%	--		
Total risk based capital ratio	12.0%	11.8%	--		
Return on equity ¹	-33.0%	-127.6%	--		
Return on assets ¹	-2.9%	-10.6%	--		
Net interest margin ¹	3.4%	2.7%	--		
Coverage ratio {(ALL+Alloc transfer risk)/Noncurrent loans}}	45.1%	66.7%	--		
Loss provision to net charge-offs (qtr)	48.9%	132.1%	--		
Net charge-offs to average loans and leases ¹	17.6%	2.9%	--		
¹ Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2009	2010	2009	2010	
Construction & development	18.7%	17.6%	12.6%	1.8%	--
Closed-end 1-4 family residential	6.1%	8.7%	2.8%	0.5%	--
Home equity	2.8%	2.5%	0.8%	1.3%	--
Credit card	0.0%	0.0%	0.0%	0.0%	--
Other consumer	1.0%	1.0%	0.2%	0.5%	--
Commercial & Industrial	0.7%	0.5%	5.4%	0.0%	--
Commercial real estate	6.6%	7.6%	2.1%	0.7%	--
Total loans	7.3%	7.0%	4.4%	0.7%	--